



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Pension Fund Fiscal Note 2011 Biennium

Bill # HB0142

Title: Eliminate automatic trigger that decreases employer contribution

Primary Sponsor: Wilmer, Franke

Status: As Introduced

Retirement Systems Affected: ☐ Teachers ☒ Public Employees ☐ Highway Patrol ☐ Police
☒ Sheriffs ☐ Firefighters ☐ Volunteer Firefighters ☐ Game Wardens ☐ Judges

Check the box if "Yes".

- ☐ Has this legislation been reviewed by the legislative interim committee?
- ☐ Has the cost of this legislation been calculated by the system's actuary?
- ☐ Does this legislation include full funding for any benefit revisions?

PERS	July 1, 2008 Current System	July 1, 2008 With Changes	Increase/ (Decrease)
Present Value of Actuarial Accrued Liability	\$4,504,743,000	\$4,504,743,000	\$0
Present Value of Actuarial Assets	\$4,065,307,000	\$4,065,307,000	\$0
Unfunded Actuarial Accrued Liability (UAAL)	\$439,436,000	\$439,436,000	\$0
Amortization Period (years) of UAAL	24.80	24.80	0.00

SRS	July 1, 2008 Current System	July 1, 2008 With Changes	Increase/ (Decrease)
Present Value of Actuarial Accrued Liability	\$204,549,000	\$204,549,000	\$0
Present Value of Actuarial Assets	\$199,453,000	\$199,453,000	\$0
Unfunded Actuarial Accrued Liability (UAAL)	\$5,096,000	\$5,096,000	\$0
Amortization Period (years) of UAAL	16.30	16.30	0.00

<u>PERS</u>	July 1, 2008	July 1, 2009	July 1, 2010	July 1, 2011	July 1, 2012
Employee Contribution Rate	6.900%	6.900%	6.900%	6.900%	6.900%
Employer Contribution Rate (State&UN	7.035%	7.170%	7.170%	7.170%	7.170%
Employer Contribution Rate (Local Govt	6.935%	7.070%	7.070%	7.070%	7.070%
State Contribution Rate (Local Govt)	0.100%	0.100%	0.100%	0.100%	0.100%
Employer Contribution Rate (SD)	6.800%	6.800%	6.800%	6.800%	6.800%
State Contribution Rate (SD)	0.235%	0.370%	0.370%	0.370%	0.370%
TOTAL Contribution Rate	13.935%	14.070%	14.070%	14.070%	14.070%

<u>SRS</u>	July 1, 2008	July 1, 2009	July 1, 2010	July 1, 2011	July 1, 2012
Employee Contribution Rate	9.245%	9.245%	9.245%	9.245%	9.245%
Employer Contribution Rate	9.825%	10.115%	10.115%	10.115%	10.115%
State Contribution Rate	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL Contribution Rate	19.07%	19.36%	19.36%	19.36%	19.36%

FISCAL SUMMARY

	FY 2010 Difference	FY 2011 Difference	FY 2012 Difference	FY 2013 Difference
Expenditures:				
Other - Pension Trust	\$0	\$0	\$0	\$0
Revenue:				
Other - Pension Trust	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Description of fiscal impact:

HB142 removes the sunset that would trigger a reduction in additional contributions for PERS and SRS.

FISCAL ANALYSIS

Assumptions:

1. The Montana Public Employees Retirement Administration (MPERA) actuary has made the assumption in all valuations and studies that the increased employer contributions would continue indefinitely. Therefore, the bill has no fiscal impact to the state.

Sponsor's Initials

Date

Budget Director's Initials

Date